



ACQUISITION AND
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000

27 NOV 1996

19961205 019

MEMORANDUM FOR DISTRIBUTION

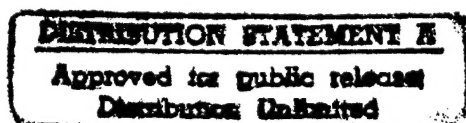
SUBJECT: Commercial Activities Inventory and Annual Report to Congress

In accordance with Title 10, USC 2461(c), the Department is required to submit an annual commercial activities report to the Congress. In order to meet the February 1, 1997, Congressional reporting requirement, please provide the following data:

- In the 12 functional areas as defined in OMB Circular A-76 Revised Supplemental Handbook of March 1996, provide the number of workyears which were performed by in-house and by contract work forces in FY 1996. Additionally, provide the projected workyears to be performed by in-house and contract work forces in FY 1997.
- Provide the number of cost comparison studies completed in FY 1996 to include:
 - (1) The number of full-time equivalents (FTEs) studied,
 - (2) The projected savings from current operations, by fiscal year, for the length of the proposed solicitation,
 - (3) Who is doing the work, i.e., in-house (include number of FTEs in the most efficient organization), Interservice Support Agreements (outside of DoD) or contractor (include projected workyears), and
 - (4) Study method, i.e., direct conversion, or streamlined or full cost comparison.

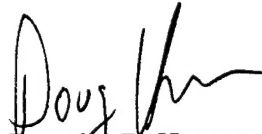
This information should be provided using Microsoft Excel format or a convertible format on a 3.5 inch diskette and in hard copy as depicted in attachment 1.

Additionally, in accordance with DoDI 4100.33, Commercial Activities Program Procedures, the DoD Components must submit their commercial activities inventory data for FY 1996. The DoD Components, in response to a special request by OMB, provided this information this past September. If there are no changes to the September inventory please inform us accordingly or, if changes have occurred, provide a new inventory in Microsoft Access format or a convertible format on a 3.5 inch diskette and in hard copy. The format for the inventory is contained in enclosure 4 of DoDI 4100.33. Attachment 2 of this memo provides the reason codes to help eliminate any misunderstanding which occurred during the creation of the special inventory for OMB last September.



DTIC QUALITY INSPECTED 4

If you have any questions, please contact Colonel John D. Horsfall, ODUSD (IA&I)/IM, at telephone (703) 604-6735. Please provide the requested information no later than December 15, 1996



Douglas B. Hansen
Director

Installations Requirements and Management

Attachments

DISTRIBUTION

Directors of the Defense Agencies

Assistant Chief of Staff for Installation Management, Department of the Army

Director, Shore Installation Management Division, Office Chief of Naval Operations

Director, Total Quality Leadership Office, Office of the Commandant of the Marine Corps

Director, Programs and Evaluations, Headquarters, U.S. Air Force

Director, Force Structure, Resources and Assessment (J-8), Joint Staff

Directors of Department of Defense Field Activities

Director, Real Estate and Facilities, Washington Headquarters Service

EXHIBIT 5-2
CODES FOR DENOTING COMPELLING REASONS FOR IN-HOUSE OPERATIONS
OR PLANNED CHANGES IN METHOD OF PERFORMANCE

1. PERFORMANCE (for entry in field A8)

<u>CODE</u>	<u>EXPLANATION</u>
A	Indicates that the DoD commercial activity has been retained in-house for national defense (wartime) reasons in accordance with subparagraph F.2.b .(1) (a) of this Instruction, other than commercial activities reported under code "C" below. (A-76 Handbook Code C.)
B	Indicates that the activity is performed by DoD personnel and is subject to the cost comparison or direct conversion requirements of the A-76 Circular and Handbook. (A-76 Handbook Code B)
C	Indicates that the DoD commercial activity is retained in-house because the commercial activity is essential for training or experience in required military skills, or the commercial activity is needed to provide appropriate work assignments for a rotation base for overseas or sea-to-shore assignments, or the commercial activity is necessary to provide; career progression to a needed military skill level in accordance with subparagraph F.2.b(1) (b) , (c) and (d) of this Instruction. (A-76 Handbook Code C.)
D	Indicates the commercial activity is retained in-house because of an executive order, treaty, or international agreement. (A-76 Handbook Code C.)
E	Indicates that there is no satisfactory commercial source capable of providing the product or service needed. (A-76 Handbook Code C.)
F	Indicates that a cost comparison has been conducted and that the Government is providing the product or service at a lower total cost as a result of a cost comparison. (A-76 Handbook Code E.)
G	Indicates that the commercial activity is being performed by DoD personnel now, but decision to continue in-house or convert to contract is pending results of a scheduled cost comparison. (A-76 Handbook Code D.)
H	Indicates that the commercial activity is being performed by DoD employees now, but will be converted to contract because of cost comparison results. (A-76 Handbook Code D.)

<u>CODE</u>	<u>EXPLANATION</u>
I	An assistant secretary waived the cost study requirement under paragraph e, chapter 1, part I of the OMB A-76 Revised Supplemental Handbook. (A-76 Handbook Code H)
J	Indicates that the commercial activity is being performed by DoD hospital and, in the best interest of direct patient care, is being retained in-house. (A-76 Handbook Code C.)
K	Indicates that the commercial activity is being performed by DoD employees now, but a decision has been made to convert to contract for reasons other than cost. (A-76 Handbook Code D.)
N	Indicates that the commercial activity is performed by DoD employees now, but a review is in progress pending a force restructuring decisions (i.e., base closure, realignment, or consolidation). (A-76 Handbook Code F.)
X	Reserved for later use
Y	Indicates that the commercial activity is retained in-house because the cost study exceeded the time limit prescribed by law. This code cannot be used in two consecutive years. (A-76 Handbook Code B.)
Z	Indicates the commercial activity is prohibited from conversion to contract because of legislation. (A-76 Handbook Code G.)
2.	USE OF OTHER CODES. Other codes may be assigned as designated by the ODUSD(IA&I).

CONGRESSIONAL REPORT
INFORMATION

PART 1 WORK YEARS		OMB CODE	IN-HOUSE FY 96 ACTUAL	PROJECTED FY97	CONTRACT	
FUNCTION					FY96 ESTIMATED	PROJECTED FY97
SOCIAL SERVICES		G				
HEALTH SERVICES		H				
MAINTENANCE AND REPAIR INTERMEDIATE		J				
MAINTENANCE AND REPAIR DEPOT		K				
BASE MAINTENANCE (MULTI-FUNCTION)		P				
RESEARCH, DEVELOPMENT, TEST AND EVALUATION SUPPORT		R				
INSTALLATION SERVICES		S				
OTHER NONMANUFACTURING		T				
EDUCATION AND TRAINING		U				
AUTOMATIC DATA PROCESSING		W				
PRODUCTS MANUFACTURED IN-HOUSE		X				
MAINTENANCE OF REAL PROPERTY		Z				

[illegible]